

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

In the Matter of)	
)	
Bridging the Digital Divide for Low-Income Consumers)	WC Docket No. 17-287
)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	

COMMENTS ON PETITION FOR RECONSIDERATION

TracFone Wireless, Inc. (“TracFone”), by its attorneys, hereby comments on the petition for reconsideration filed by Telrite Corporation d/b/a Life Wireless, i-Wireless, LLC, and Amerimex Communications Corp. d/b/a SafetyNet Wireless for partial reconsideration in the above-captioned matters. Those carriers are referred to collectively as “Petitioners.”

TracFone’s comments on reconsideration are limited to one issue – Petitioners’ request that the Commission reconsider in part its rescission of the port freeze rule (60 days for voice Lifeline service; 12 months for broadband Lifeline service) codified at Section 54.411 of the Commission’s rules.¹ That rule was rescinded in the Commission’s December 17, 2017 order in these proceedings.² TracFone supports that portion of the Petitioners’ request that the Commission reconsider its rescission of the 60 day port freeze rule. TracFone takes no position on that portion of Petitioners’ request for reinstatement of the 12 month port freeze for broadband Lifeline service.

¹ 47 C.F.R. § 54.411.

² Bridging the Digital Divide for Low-Income Consumers, et al. (*Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking and Notice of Inquiry*), FCC 17-155, 32 FCC Rcd 10475 (2017) (“2017 Lifeline Reform Order”).

Whether for voice or for broadband Lifeline, 60 days is a reasonable and appropriate port freeze period. Requiring Lifeline consumers to abide by a 60 day port freeze period reflects a reasonable balancing of the need for responsible management by Eligible Telecommunications Carriers (“ETCs”) and USAC of the Lifeline program on the one hand, and the right and ability for Lifeline consumers to obtain service from the provider of their choice based on consumers’ perception of value and service quality on the other hand.

Significantly, long before the Commission promulgated its port freeze rule in 2016, USAC established a 60 day port freeze period as an administrative matter, to enhance the efficiency of USAC’s stewardship of the Lifeline program and to protect program integrity.³ The 60 day port freeze has worked well. It prevents the constant (often weekly or even daily) “flipping” or changing of ETCs by consumers – often to procure additional free devices.⁴ It also has limited the number of eligibility verifications that are performed by USAC. Those verification activities represent a major expense to USAC and ultimately to the Universal Service Fund.⁵ However, a 60 day port freeze period does not lock in consumers to specific providers for unreasonable durations and does not impede consumers from availing themselves of other Lifeline offerings from other providers as they become available.

Finally, TracFone acknowledges that ETCs’ provision of devices to consumers in connection with their Lifeline programs are business decisions of those ETCs. There is no

³ Petitioners’ Petition for Partial Reconsideration, at 3.

⁴ As required by Commission policy, all devices provided to Lifeline consumers by ETCs are unlocked devices which means that they can be used with other providers’ services. As a result, Lifeline-provided services may easily be resold by unscrupulous device recipients, and often they are resold. Neither TracFone nor any other ETC has the ability to prevent such resale. The 60 day port freeze at least reduces the incentive for consumers to repeatedly change providers simply to obtain multiple devices which can be resold.

⁵ Petitioners have described in detail the USAC verification processes and the costs imposed by those processes. *See* Petitioners’ Petition, at 4.

requirement that ETCs provide devices to consumers, nor are such provided devices subsidized by the Universal Service Fund. That said, for many Lifeline consumers, receipt of a device from an ETC is necessary in order for the consumers to utilize Lifeline service. This is especially so for otherwise unaffordable devices which enable low-income consumers to use broadband service to access the Internet. A 60 day port freeze applicable to Lifeline customers makes the provision of those devices economically viable, thereby preserving (and hopefully expanding) the availability of affordable broadband Internet access devices.

For the reasons stated herein, TracFone respectfully supports Petitioners' request that the Commission reconsider its rescission of the 60 day port freeze rule.

Respectfully submitted,

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